

25X1A - Approved For Release 2001/03/05 : CIA-RDP82-00457R007300750

## INFORMATION REPORT

CD NO.

*[Handwritten Signature]*

COUNTRY China

DATE DISTR. 1 MAY 51

SUBJECT Economic Controls and Foreign Exchange  
Rates in Shanghai

NO. OF PAGES 2

25X1A PLACE ACQUIRED [REDACTED]

NO. OF ENCLS.  
(LISTED BELOW)

DATE OF INFO.

SUPPLEMENT TO  
REPORT NO.

25X

*[Circular stamp: SIGHTED BY LIBRARY]*

1. The Shanghai Joint Industrial and Commercial Preparatory Committee held conferences attended by 850 businessmen in Shanghai from 18 to 25 February 1951. During this conference the committee was made permanent,\* a charter covering its activities was adopted, and the following officers were elected: SIRING P'ei-hua (盛丕华),\* chairman; and NU Hsueh-chih (吳雪之), LIU Hung-sheng (劉鴻生),\* JUNG I Jen (蔣敬仁), and HSIAO Shu-khsiang (徐叔群), deputy chairman. The committee has an executive committee consisting of 150 members, in which there is a "control" group of 35 members including the chairman and deputy chairman of the overall committee. All industrial and commercial concerns in the Shanghai area are being compelled by Shanghai authorities to join this committee.\*\*
2. As of December 1950 there was much smuggling between Shanghai and Japan. Goods smuggled to Japan included shoes and mahjong sets. Goods smuggled to Shanghai included hardware and machinery.
3. In mid-November the black market rate of the U.S. dollar in Shanghai was JRP 20,000, or 60 percent above the official rate, and the rate of the Hong Kong dollar was JRP 5,500, or 16 percent above the official rate. However, in mid-December the rate on U.S. dollars dropped to the official rate. At that time, the People's Bank lowered the official rate on U.S. dollars to JRP 30,000 buying and JRP 30,300 selling. Rates on currencies linked with the U.S. dollar were also lowered, e.g. the Canadian dollar was lowered to JRP 27,000 buying and JRP 27,280 selling. The U.S. note rate was lowered to JRP 28,500 buying and JRP 28,780 selling. The Shanghai black market sold U.S. dollars from JRP 35,000 down to JRP 30,000, and Hong Kong dollars from JRP 5,250 to JRP 4,600 — lower than the Hong Kong official rate.

25X1A [REDACTED]

No Change In Class. <input checked="" type="checkbox"/>
<input type="checkbox"/> Declassify Red
Class. Changed To: TS S C
Auth: 00740-2

25X1A

- 2 -

25X1C

Comment: It was announced in early February that this meeting had been called, and would be presided over by SHENG P'ei-hua and YEN O-sheng. It is believed YEN O-sheng should have been reported as LIU O-sheng, which is an alias of LIU Hung-sheng. LIU has been active in urging businessmen to pay their taxes and buy their victory bond allotments.

25X1A  
25X1A

25X1C

Comment: Economic and security conditions in Shanghai in late 1950 and early 1951 were discussed

25X1A

CONFIDENTIAL/CONTROL - U.S. OFFICIALS ONLY